



## HENRY STATE BANK

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September 21, 2005

Mr. John F. Carter  
Regional Director  
Federal Deposit Insurance Corporation  
25 Jessie Street at Ecker Square Suite 2300  
San Francisco, CA 94105

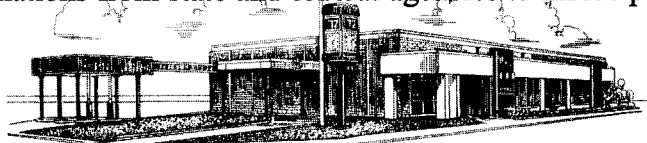
**RE: Comment on FDIC Application #20051977 – Wal-Mart application for Insurance and ILC charter**

Dear Mr. Carter,

On behalf of the employees, officers, Directors, and shareholders of the Henry State Bank, we oppose the issuance to Wal-Mart, an industrial loan company charter (ILC). We support the request of our trade association, Independent Community Bankers of America, to conduct a public hearing on the application and address the serious public policy issues it raises. This is just the first step for a giant organization to gain access into another industry for which they will gain control over their competitors, regulatory agencies, and consumers.

In the most recent past, our community has experienced difficult economic times which have forced family owned businesses close. The hardware store, dime store, and liquor store had felt the impact of a Wal-Mart store located in the larger town a few minutes away. Two family run gas station businesses have closed. And now a new concern, can this happen to small rural community banks? We believe it can happen to small banks if local deposits are no longer available to reinvest back into a small community. Rural community banks are the back bone of our country they provide the best community reinvestment than any other organization. Our city governments, schools, and commerce are reliant on a sound community bank. Also consider the size of Wal-Mart; they are bigger than the FDIC.

Is the FDIC big enough and strong enough to employ examiners to properly examine an organization of its size without simply giving in or compromising bank regulation? Community banks employ profession people and provide on going training to insure the integrity of the banking system is upheld. We engage auditing firms, employ consultants, receive annual examinations from state and federal agencies to insure proper compliance



is maintained. Will the integrity and compliance remain at the same level if Wal-Mart ultimately becomes a bank? There are many issues here to be addressed including consumer issues.

Consumers need a sound banking service and decisions made locally to allow fair and equitable treatment. Know your customer is very important regulation of community banking today that requires banks to identify and know our customers. Will a super banking center like Wal-Mart be able to know their customers well enough to be fair or protect their customers identities? Community banks are committed to protecting our customers especially the elderly customers who have a harder time of understanding the demands of some unscrupulous people in society of the twenty first century. At community banks we know our customers, we know our community without a sound community bank the local economy goes down hill.

While Wal-Mart's request may only be an application to limited banking privileges but lets be sure at the beginning that their motives aren't really a way to get their foot in the banking industry. Their organization is smart they know how to take baby steps before walking over the competition, regulators, and ultimately the consumer. Again we ask that you consider the ICBA's call for public hearing so that they may use resources to dispel the pretension of allowing the world's largest company to mix banking with commerce.

Sincerely,

A handwritten signature in cursive script that reads "Robert Watkins".

Robert Watkins  
President